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In the

Supreme Court of the United States

OCTOBER TERM, 1953

No. 361

THE GUIBERSON CORPORATION,
Petitioner,

v.

GARRETT OIL TOOLS, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT AND SUPPORTING BRIEF

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Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

To the Honorable, the Chief Justice, and Associate Justices of the Supreme Court of the United States:

Your Petitioner, The Guiberson Corporation, respectfully prays for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit, to review a decision of that Court rendered on June 30, 1953, in the above cause. A copy of the opinion of that Court is included in the record filed herewith, being not yet reported in the Federal Reporter.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED

On November 3, 1950, in the United States District Court for the Eastern District of Texas, Respondent, Garrett Oil Tools, Inc., filed suit against your Petitioner, The Guiberson Corporation, alleging infringement of United States Letters Patent No. 2,519,242, entitled "Pressure Responsive Valve," allowed to Henry U. Garrett and Clifford M. Peters, and issued on August 15, 1950.

Petitioner, as Defendant below, timely filed its Motion for Change of Venue to the Northern District of Texas, in Dallas, where Petitioner has its only factory and principal place of business. This Motion was overruled by the Trial Court, and the Defendant saved its exception to such ruling. Defendant made timely answer, and alleged invalidity of the patent in suit.

On September 29, 1952, the Trial Court held that the patent was valid and infringed, and enjoined the Defendant from making, using and selling valves alleged to infringe the patent. Whereupon, the Defendant timely made its Appeal to the United States Court of Appeals for the Fifth Circuit, which affirmed the Trial Court in an opinion handed down on June 30, 1953.

Petitioner, as Appellant, filed a Petition for Rehearing in the Court of Appeals, on July 20, 1953, and it was denied without Opinion on August 7, 1953.

BASIS OF JURISDICTION

Jurisdiction is based on *Title 28, Section 1254 (1) U. S. C. A.*, wherein the Supreme Court is given jurisdiction to review decisions of the United States Courts of Appeals by writ of certiorari.

The instant case involves Federal questions in that it is a patent infringement suit instituted on November 3, 1950, pursuant to the Revised Statutes of the United States: *Title 35, U. S. C. A., Section 70* (being the statutes controlling in patent suits instituted prior to January 1, 1953, the effective date of the new Patent Codification Act), and *Title 28, U. S. C. A., Section 1338(a)*, said last named provision giving United States District Courts original jurisdiction of civil actions arising under any Act of Congress relating to patents.

The judgment of the United States Court of Appeals for the Fifth Circuit, here sought to be reviewed, is set forth in the Opinion of that Court rendered on June 30, 1953.

THE QUESTIONS PRESENTED

(1) Have the Court of Appeals and the District Court applied to the combination patent involved in this suit the high standard of invention required by the Supreme Court in the cases of *Great Atlantic & Pacific Tea Company v. Supermarket Equipment Corp., 71 S. Ct. 127; 340 U. S. 147, 1950*, and *Crest Specialty v. David C. Trager, 71 S. Ct. 733; 341 U. S. 912?*

(2) Are the claims of the patent in suit sufficiently definite at the exact point of alleged novelty, so as to meet the requirements of *R. S. 4888, 35 U. S. C. A., Sec. 33*, in view of the decision of the Supreme Court in *Halliburton v. Walker, S. Ct., 1946, 329 U. S. 1; 67 S. Ct. 7, 10?*

(3) Was the venue of this cause properly laid in the Eastern Judicial District of Texas under *28 U. S. C. A., Sec. 1400(b)*, in view of the conflict between the Court of Appeals, in the instant case, and the Supreme Court in the case of *Tyler v. Ludlow-Saylor Wire Company, 35 S. Ct. 458; 236 U. S. 723?*

(4) Was venue properly laid in this cause in the Eastern District of Texas under *28 U. S. C. A., Sec 1391(c)*, there being a conflict of decisions between the Courts of Appeal for the Fifth and Seventh Circuits, and there being a conflict of decisions between the Court of Appeals for the Fifth Circuit and the Supreme Court? This question is asked in view of the cases of *Dalton v. Shakespeare Co., C. A. 5, 196 F. 2d 469* and *C-O Two Fire Equipment Co. v. Barnes, C. A. 7, 194 F. 2d 410*, and in view of the affirmance of the Supreme Court, by an equally divided Court, of the last named case in *Cardox Corp. v. C-O Two Fire Equipment Co., October 27, 1952, 344 U. S. 861.*

REASONS RELIED ON FOR ALLOWANCE OF WRIT

(A)

The Court of Appeals for the Fifth Circuit has decided Federal questions in ways which are in conflict with appli-

cable decisions of the Supreme Court. These conflicts are particularized as follows:

(1) The Court of Appeals held to be valid the patent in suit, which was admittedly a combination patent, all of the elements in which were old. This decision is in conflict with the decision of the Supreme Court in the case of *Great Atlantic & Pacific Tea Company v. Supermarket Equipment Corp., 71 S. Ct. 127; 340 U. S. 147, 1950.*

(2) The Court of Appeals held to be valid the claims in the patent in suit, and each such claim is indefinite at the exact point of alleged novelty, thereby failing to meet the requirements of *R. S. 4888, 35 U. S. C. A., Sec. 33.* This decision is in conflict with the decision of the Supreme Court in the case of *Halliburton v. Walker, S. Ct., 1946, 329 U. S. 1; 67 S. Ct. 7, 10.*

(3) The Court of Appeals held that venue was properly laid in the United States District Court for the Eastern District of Texas, under the statute, *28 U. S. C. A., Sec. 1400(b).* This decision, on the undisputed evidence, is in conflict with the decision of the Supreme Court in the case of *Tyler v. Ludlow-Saylor Wire Co., 35 S. Ct. 458; 236 U. S. 723.* The undisputed facts in the instant case show that the applicable sales of alleged infringing valves, relied on by the Plaintiff to satisfy the requirements of Sec. 1400 (b), were made by Defendant outside of the Eastern District of Texas.

(B)

The Court of Appeals for the Fifth Circuit has rendered a decision in conflict with the decision of another Court of Appeals on the same matter. This conflict is particularized as follows:

(1) The Court of Appeals for the Fifth Circuit held that venue in the instant case was properly laid in the United States District Court for the Eastern District of Texas, under statute, *28 U. S. C. A., Sec. 1391(c)*, thereby holding that Sec. 1391(c) (a general venue provision relating to corporations) applies to patent infringement suits against corporations, and holding that *Title 28, U. S. C. A., Sec. 1400(b)* (the specific venue provision for patent infringement suits) is not the exclusive provision for determining venue in patent infringement suits.

This decision is in conflict with the decision of the Court of Appeals for the Seventh Circuit, in the case of *C-O Two Fire Equipment Co. v. Barnes, C. A. 7, 194 F. 2d 410, 1952.*

(2) The decision of the Court of Appeals for the Fifth Circuit in the case of *Dalton v. Shakespeare Co., C. A. 5, 196 F. 2d 469* (relied on by that Court as authority in the instant case), is also in conflict with the decision of the Court of Appeals for the Seventh Circuit in the case of *C-O Two Fire Equipment Co. v. Barnes* (Supra), on the same question.

(C)

The Court of Appeals for the Fifth Circuit has decided an important question of Federal law which has not been, but should be, settled by the Supreme Court.

(1) The question is whether the general venue statute for suits against corporations provided in *Title 28, U. S. C. A., Sec. 1391(c)*, has any application to patent infringement suits, or whether the specific provision for venue in patent infringement suits set forth in *Title 28, U. S. C. A., Sec. 1400(b)*, is exclusive in determining venue in patent infringement suits.

The conflict of decisions between the Court of Appeals for the Fifth Circuit and the Court of Appeals for the Seventh Circuit, is as recited in Section (B), paragraphs (1) and (2) of this petition, immediately above.

The decision of the Court of Appeals for the Seventh Circuit in the case of *C-O Two Fire Equipment Co. v. Barnes* (supra), was affirmed by the Supreme Court in the case of *Cardox Corp. v. C-O Two Fire Equipment Co.*, on October 27, 1952, *344 U. S. 861; 73 S. Ct. 102*, by a decision in which the Justices were evenly divided, the then Chief Justice not sitting.

The Court of Appeals for the Fifth Circuit, in its decision in the instant case, held that such affirmance by the Supreme Court in the *Cardox* case did not have the effect of deciding this important question. This question is one of such importance that it should be settled by the Supreme Court.

In further support of this petition for Writ of Certiorari, your Petitioner has annexed hereto a concise brief.

WHEREFORE, your Petitioner, The Guiberson Corporation, prays this Honorable Court to grant its most gracious Writ of Certiorari in this cause.

Respectfully submitted,

S. AUSTIN WIER,
523 Republic Bank Bldg.,
Dallas, Texas,
Attorney for Petitioner.

Dated September 17, 1953.

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PETITIONER'S BRIEF

IN SUPPORT OF THE FOREGOING PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

I

The Court of Appeals and the District Court failed to apply to the combination patent in suit the high standard of invention required by the Supreme Court.

The Garrett, et al., patent in suit, being Patent No. 2,519,242, issued August 15, 1950, is identified in the rec-

ord as Pl. Ex. 52. (R., Vol. III, p. 1075.) All of the claims of this patent are combination claims, and all of the elements in the patent claims are old elements. These old elements performed the same functions in the prior art that they are claimed to perform in the patent in suit.

> "Plaintiff admitted that its patent was a combination patent, all of the elements in which were old."
>
> —Judge Hutcheson, in the opinion of the Court of Appeals in the instant case.

The patent in suit, claiming a combination of admittedly old elements, should have been measured by the high standard of invention required by the latest pronouncement of the Supreme Court. This the Court of Appeals and the Trial Court failed and refused to do.

> "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements."
>
> —Justice Jackson, in the opinion in the case of *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 71 S. Ct. 127; 340 U. S. 147, 1950.*

Neither the Court of Appeals nor the Trial Court scrutinized the claims of this combination patent with the care directed by Justice Jackson, notwithstanding they were requested so to do.

Both the Plaintiff and Defendant below requested specific findings comparing the patent in suit with prior art

patents which show the assembly of old elements claimed in the patent in suit. Such findings were not made by the Trial Court.

In Appellant's Petition for a Rehearing, the Court of Appeals was especially requested to compare the patent in suit with the prior art. Specifically, it was asked what distinctions, if any, could be found between the prior art patents urged by Appellant and the patent in suit. This request was ignored.

The patent in suit discloses a pressure responsive valve having a pressure chamber divided into two parts by a partition with a hole through it. The lower part of the pressure chamber is formed by a bellows-diaphragm. A valve head is carried by the bellows-diaphragm and moves with it to close the hole in the partition when the bellows-diaphragm moves. Liquid is trapped in or about the bellows-diaphragm when the hole is closed, to prevent the bellows from further collapsing or being distorted.

Some claims in the patent in suit call for this structure with liquid, and some claims call for this structure without liquid.

The portion of this structure which the patentees claimed to be new was the apertured partition in the pressure chamber with means to close the hole to trap the liquid. (Page 35 of the Patent File Wrapper History; R., Vol. III, p. 1131.)

The prior art cited by the Patent Office during the prosecution of the patent application did not include the

old patents which disclosed this alleged novelty. (R., Vol. III, p. 1138.)

During the trial of this cause, all of these elements, including the alleged novel elements, were shown to be old in prior patents which had never been considered by the Patent Office; and Plaintiff had to admit that all such elements were old, as is recited by the Court of Appeals in its opinion, as quoted above.

As a matter of fact, all such elements were shown to be old in one prior patent, the patent to Winkler. (Pl. Ex. 50, R., Vol. III, p. 1069.)

The alleged novelty (the trapping of liquid in or about a bellows-diaphragm) was also shown to be old in the prior patent to Jones (Pl. Ex. 46, R., Vol. III, p. 1060), and in the prior patent to Ashton (Pl. Ex. 48, R., Vol. III, p. 1065). There are other anticipating patents in the record.

The Patent Office made a mistake in not finding and considering the most pertinent prior art. If such art had been considered, it is inconceivable that the patent would have been allowed. Such mistake should now be rectified by the Courts.

The question of invention was treated only inferentially by the District Court. That Court found that the valve of the patent in suit was useful and had enjoyed commercial success. Such is the burden of Findings of Fact 7 to 12, inclusive (R. 79-81), and Finding of Fact 20. (R. 85.) A reading of these findings clearly shows that the Court

placed undue emphasis on commercial success, which cannot take the place of invention. *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 71 S. Ct. 127; 340 U. S. 147, 1950.*

The Court of Appeals declared that commercial success was evidence that the claimed invention was useful. Apparently, utility has been substituted for invention. The Court wholly ignored the prior art. It is this art that negates both novelty and invention in the patent in suit.

That is to say, both Courts, Trial and Appellate, have failed to justify a holding of validity in a patent in which there was no novelty and no invention.

II

All the claims of the patent in suit are invalid because they are not sufficiently definite at the exact point of alleged novelty to meet the requirements of the controlling statute and of decisions of the Supreme Court.

Title 35, U. S. C. A., Sec. 33, R. S. 4888, Fed. Code, requires that the inventor "*shall particularly point out and distinctly claim the part, improvement or combination which he claims as his invention or discovery.*"

The case of *Halliburton v. Walker, S. Ct., 1946, 329 U. S. 1; 67 S. Ct. 7, 10,* holds that patent claims which are indefinite at the exact point of alleged novelty are invalid.

Under the requirements of the controlling statute, and the decision of the Supreme Court in the *Halliburton* case,

all of the claims of the patent in suit are invalid. (Garrett, et al., patent, Pl. Ex. 52, R., Vol. III, p. 1075.)

The purported novelty claimed in the patent in suit is recited by the patentees on p. 35 of the patent File Wrapper History. (R., Vol. III, p. 1131.) Such purported novelty is succinctly stated on p. 11 of this brief.

In each claim of the patent, the purportedly novel structure (for closing the hole in the partition in the pressure chamber of the valve) is called for in the vague terms of "means" or "element" or "part," which are functionally described in the claims as being "adapted to" perform some functions or "for" performing some function. (R., Vol. I, pp. 495-505). Such functional statements are at the exact point of the alleged novelty. (R., Vol. II, p. 728.)

The claims should be definite enough to inform the public of the extent of the patentee's monopoly. The claims of the patent in suit fail to meet this requirement.

The Supreme Court has stated in the case of *United Carbon Co. v. Binney & Smith Co., 317 U. S. 228, 63 S. Ct. 165*, as follows:

> "* * * The limits of a patent must be known for the protection of the patentee, the encouragement of the inventive genius of others, and the assurance that the subject of the patent will be dedicated ultimately to the public. The statute seeks to guard against unreasonable advantages to the patentee and disadvantages to others arising from uncertainty as to their rights. The inventors must 'inform the public during the life of the patent of the limits of the monopoly asserted, so that it may be known which features may

be safely used or manufactured without a license and which may not' * * *."

III

Venue of this cause was not properly laid under the statutory provision of 28 U. S. C. A., Sec. 1400(b).

Plaintiff below sought to establish venue in the United States District Court for the Eastern District of Texas under *Title 28, U. S. C. A., Sec. 1400(b)*. This section reads as follows:

> "(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

Defendant below has its only factory and principal place of business in Dallas in the Northern District of Texas. The Defendant never at any time manufactured or used any of the allegedly infringing valves within the Eastern District of Texas, and there is no evidence whatsoever to the contrary in the record.

The Plaintiff relied only on alleged *sales* of the valves, to establish venue under Sec. 1400(b).

Of the four sales relied on by Plaintiff for this purpose, one sale was shown to have been made in July, 1950, before the patent was issued. (R., Vol. I, pp. 181 and 236.) One sale was shown to have been made in the latter part of

November 1950, after the suit was filed. (R., Vol. I, p. 237.) Obviously these two sales may not be relied on for purposes of venue.

The remaining two sales were shown to have been made as the result of orders accepted in Defendant's offices located outside of the Eastern District of Texas; and thereafter these two orders were shipped into the Eastern District of Texas. (R., Vol. I, pp. 123, 126-128, 134-135, and pp. 179-182.)

Plaintiff admitted in the Trial Court that one of these last named orders was placed for the purpose of attempting to establish venue in the Eastern District of Texas. (R., Vol. I, p. 131.)

In the case of *Tyler v. Ludlow-Saylor Wire Co., 35 S. Ct., 458; 236 U. S. 723*, it was held that infringement is not established, for the purposes of venue, when an allegedly infringing device is shipped into the District where suit is brought on an order accepted outside of such District.

The net effect of the record facts and the cited authority is that, in the instant case, there has been no act of infringement within the Eastern District of Texas. Under Sec. 1400(b) and the *Tyler* case (supra), there was no venue in the Court which tried this cause.

IV

Venue of this cause was not properly laid under the statutory provision of 28 U. S. C. A., Sec. 1391(c).

The Court of Appeals held that venue was properly laid under *28 U. S. C. A., Sec. 1391(c)*. This section reads as follows:

> "(c). A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

It is obvious upon reading that this section is a *general* provision concerning corporations, and that it makes no mention of patent suits.

It is equally obvious that the holding of the Court of Appeals in the instant case is in conflict with the *C-O Two* case (supra) decided in the Seventh Circuit and affirmed by the Supreme Court, as set forth under Sections (B) and (C) of the foregoing Petition.

The holding of the Court of Appeals for the Seventh Circuit in the *C-O Two* case (supra) is that Sec. 1400(b) is the *exclusive* statutory provision for venue in patent cases, and that Sec. 1391(c) has no application.

Such decision by the Court of Appeals in the Seventh Circuit is in accordance with the decision of the Supreme Court in the case of *Stonite Products Co. v. Melvin Lloyd Co., 62 S. Ct. 780, 315 U. S. 561.*

In these decisions, both Courts (the Court of Appeals for the Seventh Circuit and the Supreme Court) have held that the *specific* venue statute was the *exclusive* provision controlling venue in patent infringement proceedings.

Furthermore, in both of these decisions, it was held that the *general* venue statute was not applicable in patent infringement proceedings.

WHEREFORE, your Petitioner prays the allowance of its foregoing Petition for Writ of Certiorari, relying on the reason for allowance as set forth therein, and further relying upon the facts and the law as succinctly presented in the above Brief.

Respectfully submitted,

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523 Republic Bank Bldg.,
Dallas, Texas,
Attorney for Petitioner.

Dated September 17, 1953.

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

OPINION BELOW

The opinion, for which review is sought by Petitioner, of the Court of Appeals for the Fifth Circuit is reported at 205 F. 2d 660 in the Advance Sheet dated September 21, 1953.

INTRODUCTORY AND SUBJECT MATTER

The petition involves a single United States Letters Patent Number 2,519,242, issued upon application of Henry U. Garrett and Clifford M. Peters. (Plf's. Ex. 52, R. 1079, Vol. III; in evidence R. 393, Vol. I). The case below was the usual patent infringement suit in all respects. The Trial

Court, after full hearing and based upon comprehensive findings of fact and conclusions of law, held the patent both valid and infringed on September 29, 1952, prior to the effective date of the new Patent Codification Act.

The petition, in questions 1 and 2, involves no special or important questions pertaining to the patent, but attacks for the third time its validity. Granting of the writ on either question 1 or 2 will require a review by this Court of the somewhat voluminous record and exhibits for the purpose of testing the soundness of the District Court's findings of fact on which patent validity was based, which findings were the basis of the two concurring decisions below. The fact and evidentiary character of this controversy is illustrated in the Appellate Court's opinion wherein Chief Judge Hutcheson stated:

> "* * * It will serve no useful purpose to discuss the authorities each cites. There is no real difference of opinion between the parties as to the controlling legal principles. The dispute arises on their application to the facts. The decision of the case, in short, turns on the facts as testified to and found. We cannot agree that the findings are clearly erroneous. On the contrary we think that they are almost, if not quite, demanded by the evidence." (R. 1166-1168)

The petition, in connection with question 4, attempts to set up a special venue issue. However, to keep question 4 from being moot, Petitioner finds it necessary in question 3 to attack as not supported by the evidence the findings of fact concurred in by the two Courts below, which clearly establish venue under the special venue statute pertaining to patent cases, namely, Section 1400(b) of Title 28 *U.S.C.* Respondent's position is, that venue having been held proper by two Courts under the special patent venue statute on the purely fact issue, the special question advanced by Petitioner

in question 4, with regard to whether the general venue statute Section 1391 (c) of Title 28 *U.S.C.* is applicable to patent cases, is moot and affords no basis for review by this Court. It cannot affect the rights of these litigants.

THE QUESTIONS PRESENTED

Four questions in all are presented by the petition. These questions will be considered in the order presented in the petition.

Question 1

The opinion of the Court of Appeals on its face answers Petitioner's first question because it shows the Court applied to the patent in suit the high standard of invention required by this Court in the cases of THE GREAT ATLANTIC & PACIFIC TEA CO. v. SUPERMARKET EQUIPMENT CORPORATION, 71 S. Ct. 127; 340 U.S. 147, 1950, and CREST SPECIALTY v. DAVID C. TRAGER, 71 S. Ct. 733; 341 U.S. 912. The Appellate Court, in its opinion, stated (R. 1162) that Petitioner pressed hard its attack upon the patent as failing to meet the high standard of invention required by the A. and P. case and several cited Fifth Circuit decisions. Further, the opinion states (R. 1168) that Respondent has the "heavy burden to show that there is something more to his patent than their mere assembling, their mere aggregating, each to perform its own function, the combination as a whole performing no new function, effecting no new suit." It went on to state, however, that it is also true that combination patents "can be valid, and we are of the clear opinion that, *upon the facts found*, this is one of that kind" (emphasis added). The decisions of the Fifth Circuit cited in its opinion (R. 1162), along with the case of THE GREAT ATLANTIC & PACIFIC TEA CO. v. SUPERMARKET EQUIPMENT CORPORATION, 71 S. Ct. 127; 340 U.S. 147, show that the Court of Appeals

for the Fifth Circuit has consistently applied the doctrine that combination patents should be hard to obtain and, when obtained, carefully scrutinized, from a time antedating the A. & P. case. OTIS PRESSURE CONTROL v. GUIBERSON, 108 F. 2d 930; BUTEX GAS COMPANY v. SOUTHERN STEEL, 123 F. 2d 954; RITCHIE v. LEWIS-BROWNING MFG. Co., 196 F. 2d 434. To review the case upon this issue would decide no special or important question and would involve merely the review of the comprehensive findings of fact of the Lower Court and the voluminous record to see whether or not these findings are justified by the evidence.

The Court of Appeals carefully considered the findings of fact of the Lower Court as to whether or not they applied the high standard of invention now required to the patent in suit. The findings 13, 14, 15 and 17, reproduced in the Appellate Court's opinion (R. 1165, 1166), are further proof that the Appellate Court did apply the high standard of invention to the patent in suit and in this respect approved and affirmed the action of the District Judge below.

In keeping with the Supreme Court's admonition, and contrary to Petitioner's assertion, the District Judge found that the elements in the claimed combination of the patent in suit *co-act together to produce a new result and that the function of the individual elements in the combination are different from their functions when found in other combinations of the prior art.* (See finding 17 at page 1166 of the record in the footnote to the Appellate Court's opinion. See also findings 13 and 16, R. 81 and 83, Vol. I).

In view of the foregoing, it is amply evident that both Courts below considered the patent in suit in keeping with the high and exacting standard of invention now prevailing and that a review by this Court of the evidence to see if the findings are supported would serve only the interest of

the parties in their private controversy. That the Supreme Court is not merely a Court of review to determine that findings of fact are properly substantiated by the evidence, where concurring opinions of two lower courts exist, is well established. WILLIAMS MFG. CO. v. UNITED SHOE MACHINERY CO., 316 U.S. 364; GRAVER TANK AND MFG. CO. v. LINDE AIR PRODUCTS CO., 336 U.S. 271; FAULKNER v. GIBBS, 338 U.S. 267.

Petitioner's contention in its brief that the Courts below failed to compare the patent in suit with the prior art is completely answered by the Trial Judge's findings 13, 16 and 17 which pertain to the claimed invention, and findings 21 through 27, inclusive, which compare the patented invention with the prior art relied upon by Petitioner (R. 81 to 87, Vol. I). These findings are fully approved by the Appellate Court as "almost, if not quite, demanded by the evidence" (R. 1168).

Petitioner contends that both the District Court and the Court of Appeals considered commercial success too important. The Appellate Court refused to give any weight to commercial success other than that "such success may be evidence in support of one element of patentability that the claimed invention is useful." (Opinion, R. 1168). The Trial Court in admitting evidence of commercial success referred to THE GREAT ATLANTIC & PACIFIC TEA CO. v. SUPERMARKET EQUIPMENT CORPORATION, 340 U.S. 147, case and stated:

> "I'm going to admit the testimony, but I'll tell you frankly I don't think it has any bearing whatsoever on any issue before the case. I'll have a complete record. I'll admit the testimony." (R. 587, Vol. II)

It is ridiculous for Petitioner to insist that either Court substituted commercial success for invention.

Question 2

The second question raises the issue of whether the patent claims are definite. In its presentation of this question, Petitioner is confusing the type of claim considered by this Court in HALLIBURTON v. WALKER, 329 U.S. 1, with the different type of claim found in the Garrett et al patent and approved by this Court in FAULKNER v. GIBBS, 338 U.S. 267, subsequent to the HALLIBURTON case. In the HALLIBURTON case, it was held that the precise point of novelty could not be expressed in the claim as a single means for performing a function. However, the claims in the patent in suit are of the type considered in the FAULKNER case wherein it was held that where the novelty exists in the combination the decision of the HALLIBURTON case was inapposite. It was in keeping with the decision of FAULKNER v. GIBBS that the Trial Court found (R. 84, Vol. I):

"18.

> "In the Garrett et al patent, the claims define the novelty of the invention to reside in the combination of elements expressed by the claims as distinguished from any single element of the claims. The language of these claims, when considered in the light of the specification and the drawings, are definite in their recitation of the structure of the elements and the physical relationship between the elements and within the meaning of United States Revised Statutes 4888. The claims of the Garrett et al patent were allowed as definite, the Patent Office having expressly considered their language as to definiteness."

The FAULKNER case is also proper authority for the Appellate Court's affirmance of this finding of fact.

These two decisions of HALLIBURTON v. WALKER and FAULKNER v. GIBBS provide clear statements for the guid-

ance of the public and the courts below in their consideration of patent claims. It is, therefore, submitted that only the private interests of the private parties can be served by review of the case upon certiorari upon this issue.

Question 3

Questions 3 and 4 relate to venue and if certiorari is not granted based upon Question 3, then Question 4 is moot. Question 3 is one purely of fact in which the two courts below concurred, and thus affords no basis for review.

Section 1400(b) of Title 28 U.S.C., is a special statute for the purpose of establishing venue in patent cases. In accordance with this statute, the venue of the United States District Court for the Eastern District of Texas, where the case was tried, was proper for this case. The pertinent portion of the Section reads as follows:

> "(b) Any civil action for patent infringement may be brought in the judicial district * * * where the defendant has committed acts of infringement and has a regular and established place of business."

Upon ample evidence introduced, the District Court found that defendant committed acts of infringement and had a regular and established place of business in the Eastern District of Texas (Findings 3 and 4, R. 78, Vol. I). The Court of Appeals concurred.

Apparently Petitioner has now dropped its contention that it does not and has not maintained a regular and established place of business in the Eastern Judicial District of Texas. Surely, the pictures of its warehouse found in the record at pages 959-960 (Vol. III) identified and placed of record at page 99 of Vol. I, together with the testimony of its Vice-President and General Manager (R. 141, Vol. I)

admitting the keeping of a stock of goods in this warehouse for the purpose of making emergency deliveries, leaves no doubt whatsoever upon this score. Equally clearly, the evidence shows Petitioner's established pattern of selling infringing devices in the Eastern Judicial District of Texas from a time commencing before the filing of suit and continuing until after the filing of the suit, including two proved sales consummated between the issuance of the patent and the filing of the suit, namely, August 15, 1950 to November 3, 1950.

Petitioner's contention that these two sales in the critical time period were accepted in its offices located outside the District and then shipped into the Eastern District of Texas, at least as to one of them, is a direct misrepresentation of the record. Petitioner's own employee, Cherry, testified that he personally delivered three infringing devices to R. Olsen Oil Company in the Eastern District of Texas (R.176-180). It is well established under Texas law that a sale is consummated, when the vendor undertakes delivery, at the time and locus of the actual delivery of the goods. MISSOURI PACIFIC RAILWAY CO. v. SCOTT, Court of Civil Appeals of Texas, 1893, 26 S.W. 239; 37 TEXAS JURISPRUDENCE, Sec. 205, page 454.

The TYLER v. LUDLOW-SAYLOR WIRE COMPANY, 236 U.S. 723, case, relied upon by Petitioner, is distinguishable. There the factory representative took the order in New York. The order was then sent to the defendant's Missouri office where it was accepted. Subsequently, the device was shipped to New York by common carrier. Obviously, the common carrier was not the defendant's employee, and delivery to the carrier passed the title to the device.

As to the second of these sales, the device was ordered from Petitioner's warehouse within the particular Judicial District with delivery specified as "Ship Via Pick Up".

There is a conflict of testimony as to what transpired between then and delivery, but admittedly Petitioner delivered by parcel post instead of "Ship Via Pick Up" (Petitioner's Invoice, R. 983, Vol. III). This change of the mode of delivery by the seller, under Texas Law, makes the sale take place at the time and place of actual receipt by the customer. MARCUS v. ARMER, Texas Sup. Ct., 1928, 5 S.W. 2d 960; ONEIDA KNITTING CO. v. POPULAR DRY GOODS CO., Texas Civ. App., Amarillo, 1918, 202 S.W. 811.

Question 4

Petitioner seeks review of this Court upon the additional grounds, related to venue, that the decision of this case is in conflict with that of the Seventh Circuit of C-O TWO FIRE EQUIPMENT CO. v. BARNES, 194 F. 2d 410, affirmed by an equally divided court in the decision of CARDOX CORP. v. C-O TWO FIRE EQUIPMENT CO., 344 U.S. 861, 73 S. Ct. 102. In view of the venue being properly laid under the special venue statute Section 1400(b) of Title 28 U.S.C., as found by the two courts below, the question of whether Section 1391(c) of Title 28 U.S.C. is applicable in this case is moot and not to be considered by this Court; ST. PIERRE v. UNITED STATES, 319 U.S. 41, and BARKER PAINTING CO. v. LOCAL NO. 734, 281 U.S. 462. The rights of the litigants here are not dependent upon the soundness of the decisions of C-O TWO FIRE EQUIPMENT CO. v. BARNES, C.A. 7, 194 F. 2d 410, and DALTON v. SHAKESPEARE CO., C.A. 5, 196 F. 2d 469.

ARGUMENT

For the reasons hereinbefore advanced, it is submitted that this case does not involve any special or important questions, either of the character especially enumerated in

the rules of the Supreme Court, Rule 38, Sub-Section 5, or of any other character. Contrary to Petitioner's contention, it is clear from the opinion of the Court of Appeals and the findings of fact of the District Court that both courts were cognizant of and applied to the patent in suit the high standard of invention which a combination patent must meet, as admonished by this Court in THE GREAT ATLANTIC & PACIFIC TEA CO. v. SUPERMARKET EQUIPMENT CORPORATION, 340 U.S. 147; 95 L. Ed. 162. It is equally clear that the Court of Appeals and the District Court also considered the question of the definiteness of the claims in the light of the decision of HALLIBURTON v. WALKER, 329 U.S. 1, and found them to be of the type dealt with by this Court in FAULKNER v. GIBBS, 338 U.S. 267, wherein the Halliburton decision was found to be inapposite.

Accordingly, a review by this Court, of necessity, would amount merely to a third review of the evidence to weigh the soundness of the District Judge's findings of fact and would serve no special or important purpose. This Court has repeatedly announced that it is not the function or purpose of the Court to provide a third review of the evidence to determine whether the findings of fact are contrary to the evidence, as here sought by Petitioner; WILLIAMS MFG. CO. v. UNITED SHOE MACHINERY CORP., 316 U.S. 364; GRAVER TANK & MFG. CO., INC., v. LINDE AIR PRODUCTS CO., 336 U.S. 271; FAULKNER v. GIBBS, 338 U.S. 267.

As to the question of venue, again two Courts have passed upon the evidence and concurred in finding that venue is established under the special patent venue statute Section 1400(b) of Title 28, U.S.C., as properly residing in the Eastern Judicial District of Texas where the case was tried. The only possible legal question in connection with this holding would be the question of Texas law as to

sales as to which there is no federal question. This renders moot any possible question as to the applicability or inapplicability of Section 1391(c) of Title 28, U.S.C. This Court has repeatedly announced that it will not consider moot questions even though it is contemplated that such questions may become important; ST. PIERRE v. UNITED STATES, 319 U.S. 41, and BARKER v. LOCAL NO. 734, 281 U.S. 462.

Denial of the petition is respectfully requested.

Respectfully submitted,

JAMES B. SIMMS,
Attorney for Respondent

Of Counsel:
W. E. DYCHE, JR.,
Houston, Texas;
BROWNING, SIMMS & HYER,
Houston, Texas;
J. BYRON SAUNDERS,
Tyler, Texas

CERTIFICATE OF SERVICE

Two copies of the foregoing RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI have been served upon the Petitioner this_____ day of_____, 1953, by mailing two copies to S. Austin Wier, attorney of record for Petitioner, at 523 Republic Bank Building, Dallas 1, Texas, the same being the last address of S. Austin Wier known to Respondent and Respondent's attorney, these copies being sent through United States mail, postage prepaid.

_____

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HAROLD B. WILLEY,

In the

Supreme Court of the United States

OCTOBER TERM, 1953

No. 361

THE GUIBERSON CORPORATION,
Petitioner,

v.

GARRETT OIL TOOLS, INC.,
Respondent.

PETITION FOR REHEARING ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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Dallas, Texas,
Attorney for Petitioner.

WARLICK LAW PRINTING CO. - LAW BRIEF PRINTING - DALLAS - HARWOOD 9350

In the

Supreme Court of the United States

OCTOBER TERM, 1953

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GARRETT OIL TOOLS, INC.,

Respondent.

PETITION FOR REHEARING ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

To the Honorable, the Chief Justice, and Associate Justices of the Supreme Court of the United States:

Your Petitioner, the Guiberson Corporation, respectfully prays for a rehearing on its original petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit, which was denied on November 16, 1953, in the above indicated cause; and in support thereof would respectfully show the Court as follows.

Petitioner believes that the validity of the patent in suit, No. 2,519,242, is extremely doubtful, and that upon a full review by the Court the invalidity of the patent could be clearly demonstrated.

The patent is invalid for three reasons:

(1) Anticipation by prior issued patents,

(2) Lack of invention over the prior art, and

(3) Indefiniteness of the claims.

These reasons were more fully set out in Petitioner's Brief attached to the Petition for Writ of Certiorari, heretofore filed.

Petitioner believed, and still believes, that its Petition for Writ of Certiorari was soundly based and that the writ should be granted to determine whether the lower Courts applied the correct criteria of invention to the Garrett, et al., patent, No. 2,519,242, which is admittedly a combination made up of an assembly of old elements, as was done in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 1950, 71 Sup. Ct. 127, 340 U. S. 147.*

However, in view of the long established practice by the Supreme Court "that certiorari will not usually be granted in patent cases unless there is a conflict in the decisions of Circuit Courts of Appeals" *(Triplett v. Lowell, 1936, 56 Sup. Ct. 645, 648; 297 U. S. 638, 644; General Talking Pictures Corp. v. Western Electric Co., 1938, 304 U. S. 175, 178, 58 Sup. Ct. 849, 851,* and cases cited therein), Petitioner believes that the Petition may have been denied in the

instant cause for the reason that there is no conflict of decisions between Courts of Appeals regarding the validity of the patent here involved.

If such was the reason for denying the Petition, then Petitioner would respectfully show the Court that the facts hereinafter set forth bring this case clearly within the exception stated in *Schriber-Schroth Co. v. Cleveland Trust Co., 1938, 305 U. S. 47, 50, 59 Sup. Ct. 8, 10,* wherein Petition for Certiorari was granted "on a petition for rehearing showing that, notwithstanding the doubtful validity of the patents, litigation elsewhere with a resulting conflict of decision was improbable because of the concentration of the automobile industry in the Sixth Circuit."

The patent in suit is concerned with a gas lift flow valve used in the production of oil from oil wells.

The manufacturers of gas lift flow valves are all located in the State of Texas, in the Fifth Circuit, so that it is highly improbable that litigation involving the validity of said patent would occur in any other circuit.

The Composite Catalog of Oil Field and Pipe Line Equipment, published by the Gulf Publishing Company of Houston, Texas (publishers of the nationally circulated trade magazine "World Oil"), is a compilation and assembly of the catalog sheets of the established manufacturers of oil field tools and equipment of the United States. It shows that the manufacture of gas lift flow valves has been concentrated within the State of Texas ever since the inception of such industry, and that for more than five years

past such concentration has amounted to 100% of the industry. Therefore, all of such industry is located within the Fifth Circuit.

Copies of the said Composite Catalog are on deposit in the Library of Congress. Such catalogs for the year 1936 and for subsequent years bear copyright notices.

All of the Composite Catalogs referred to have been carefully examined by Thomas B. Losey, the Chief Engineer of the Defendant corporation (Petitioner herein), and pertinent facts reflected by such examination are set out in his affidavit attached hereto and made a part hereof.

These Composite Catalogs show that during the past five years there have been only nine manufacturers of gas lift flow valves in the United States, and that all of them are located in Texas. The names and places of business of such manufacturers are set out in the accompanying affidavit.

Respondent corporation (Plaintiff below) makes and sells considerably more than one-half of all gas lift flow valves made and sold in the United States.

During the pendency of this cause in the Trial Court the ratio of valves made and sold by Respondent-Plaintiff to those made and sold by Petitioner-Defendant appears to be of the order of 14 to 1. Respondent-Plaintiff dominates the gas lift flow valve industry of the United States. Such corporation seeks to monopolize the gas lift flow valve industry, and seeks to enforce such monopoly through the use and instrument of an obviously invalid patent, the patent in controversy.

Just one look at the drawings of the prior art patent to Winkler, No. 2,469,038 (Pl. Ex. 50, R. Vol. III, p. 1069), shows every part and parcel of the valve made by Defendant herein, and likewise shows every part and parcel of the valve disclosed in Plaintiff's patent in controversy. Every such part and parcel of all three of these valves is operable in the same manner to produce the same results. It is as clear as a fire bell in the night that there is nothing new in the patent in controversy here.

An obvious question propounds itself: What was the invention made by the patentees of the patent in suit? The answer is inescapable. It is this: *Nothing.*

Another question presents itself, projected by the undeniable facts of this case. That question is this:

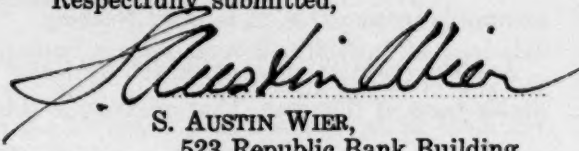
Where the facts show that the corporate Plaintiff below dominates the gas lift flow valve business of this Nation and seeks to create a monopoly of such business by asserting against its competitors a patent in which there is no novelty and no invention, when looked at in the light of the prior art (overlooked by the Patent Office), which patent is, therefore, plainly invalid, and where (as is the case here) all of such business is concentrated in one circuit (the Fifth Circuit), rendering virtually impossible a conflict of decisions between the courts of two circuits, and where the Court of Appeals for the Fifth Circuit has failed and refused to apply against the patent in controversy the criteria and standards laid down by the Supreme Court, what is more fitting, proper and appropriate than that your Petitioner, with all respect, again approach the Supreme

Court, under the aegis of the pronouncement of the Court in the *Schriber-Schroth* case (supra), and ask review of the Court's denial of its most gracious Writ of Certiorari in this cause?

"Is there no balm in Gilead? Is there no physician there?"

WHEREFORE, your Petitioner, The Guiberson Corporation, prays this Honorable Court to grant this Petition for Rehearing, and that the Court's most gracious Writ of Certiorari be granted in this cause.

Respectfully submitted,



S. AUSTIN WIER,
523 Republic Bank Building,
Dallas, Texas,
Attorney for Petitioner.

Dated: November 27, 1953.

CERTIFICATE OF COUNSEL

STATE OF TEXAS }
COUNTY OF DALLAS }

S. Austin Wier, being first duly sworn, on oath certifies and says: That he is attorney of record for Petitioner in the above cause; that in his judgment the within and foregoing Petition for Rehearing is well founded and is not interposed for delay, but in order that justice may be done.

S. Austin Wier

Subscribed and sworn to before me at Dallas, Texas, this 27 day of November, A. D., 1953.

Anne C. White

Notary Public, in and for the County and State aforesaid.

CERTIFICATE OF SERVICE

Two copies of the foregoing Petition for Rehearing have been served on Respondent's Counsel by first class mail, postage prepaid, addressed to Browning and Simms at 3303 Montrose Boulevard, Houston 6, Texas, on this 27 day of November, 1953.

S. Austin Wier

Counsel for Petitioner.

AFFIDAVIT OF THOMAS B. LOSEY

STATE OF TEXAS }
COUNTY OF DALLAS }

BEFORE ME, a Notary Public in and for the State and County aforesaid, on this day personally appeared THOMAS B. LOSEY, who, being by me duly sworn, did on oath depose and say, as follows:

My name is Thomas B. Losey. I am Chief Engineer of The Guiberson Corporation, of Dallas, Texas, the Defendant-Petitioner in the hereinabove indicated proceedings. I became an engineer for such firm in 1942 and have been continuously so engaged since that time. I received my degree in Mechanical Engineering from the University of Oklahoma in 1933, and thereafter I continuously practiced mechanical engineering and petroleum engineering in the oil industry of the Southwest.

Since the inception of the use of gas lift flow valves, I have been intimately acquainted with the practice. The first Composite Catalog of Oil Field and Pipeline Equipment offering any such valves to the trade appeared in 1936.

I have personally examined and I am fully acquainted with all of the gas lift flow valves which have been listed in the Composite Catalogs from 1936 to 1953.

During the years 1950, 1951, 1952 and 1953, the Composite Catalogs reflected only nine manufacturers of such

valves; and all such manufacturers were, and still are, located in the State of Texas. They are:

1. Camco, Inc., Houston, Texas.
2. Garrett Oil Tools, Inc., Houston, Texas, and Longview, Texas.
3. The Guiberson Corporation, Dallas, Texas.
4. Macco Oil Tool Co., Houston, Texas.
5. Texas Iron Works, Inc., Houston, Texas.
6. Wilson Supply Co., Houston, Texas.
7. McEvoy Company, Houston, Texas.
8. Merla Tool Corporation, Dallas, Texas.
9. Pioneer Gas Lift Company, Houston, Texas.

A careful study of all Composite Catalogs from 1929 to 1953 shows that no manufacturer of gas lift flow valves, presented to the trade during that time, has ever been located outside of the State of Texas, except in the following instances:

(1) The Proctor-Miller Co., of Alhambra, California, offered a flow valve adaptation during the years 1938 and 1939 only, since which time such concern has not appeared in the Composite Catalog and, to the best of my knowledge, has manufactured no flow valves.

(2) Price-Trawick, Inc., of Stroud, Oklahoma, offered a flow valve from 1936 to 1941, when the concern disappeared from the Composite Catalog and,

to the best of my knowledge, has made no flow valves since about the last named date.

Based on my long experience, and after careful and extensive investigations and examinations, it is my considered opinion that 100% of all the flow valves manufactured in the United States during the last five years have been manufactured within the State of Texas; and that approximately 98% of all gas lift flow valves so manufactured have been put into use in the Gulf Coastal areas of the States of Texas and Louisiana.

It is my further considered opinion, based on investigations and reports of production, that Garrett Oil Tools, Inc., the Plaintiff-Respondent (and the corporation which merged with it, Olsco Mfg. Co.) has made and sold considerably more than one-half of all gas lift flow valves manufactured within the last five years.

I have no knowledge of any gas lift flow valve manufacturing concern located anywhere other than in the State of Texas, now or at any time within the last five years.

Thomas B Losey

(THOMAS B. LOSEY, *Affiant.*)

SWORN AND SUBSCRIBED to before me, a Notary Public in and for the County of Dallas, State of Texas, this 27 day of November, A. D. 1953.

Anne C. White

Notary Public in and for the County and State aforesaid.

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HAROLD B. WILLEY, Cl

IN THE

Supreme Court of the United States

OCTOBER TERM, 1953

No. 361

THE GUIBERSON CORPORATION, *Petitioner*,

v.

GARRETT OIL TOOLS, INC., *Respondent*

Response to Petition for Rehearing on Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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IN THE

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OCTOBER TERM, 1953

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THE GUIBERSON CORPORATION, *Petitioner*,

v.

GARRETT OIL TOOLS, INC., *Respondent*

Response to Petition for Rehearing on Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

This response is limited in its scope to the question most recently raised by Petitioner in seeking rehearing of the Court's denial on November 16, 1953 of its original petition in the above-styled cause. This single question relates to the applicability of the doctrine announced in SCHRIBER-SCHROTH CO. v. CLEVELAND TRUST CO., 1938, 305 U.S. 47, 50; 83 L. Ed. 34.

The one controlling fact is that by whatever doctrine or ruse certiorari might be sought, still the review sought by this Court is only a third review of the evidence to test the soundness of the Trial Court's findings of fact as fully concurred in by the Court of Appeals. This still is a function which this Court is loath to perform, and still only a private controversy of no general importance is involved. GENERAL

TALKING PICTURES CORP. v. WESTERN ELECTRIC COMPANY, INC., 304 U.S. 175; 82 L. Ed. 1273, 1275; FAULKNER v. GIBBS, 338 U.S. 267, 94 L. Ed. 62. This is fully treated in Respondent's brief heretofore filed.

Reference to the Schriber-Schroth decision shows that on its face it is not applicable, in any event, to the instant case for the following two reasons:

1. The patent there considered was of doubtful patentability on a question of law as to the effect of amendments made during the prosecution of the application for patent and as to which question of law the Trial Court and Court of Appeals arrived at different conclusions.

2. The industry of supplying gas lift equipment and other oil tools is as diversified as the production of oil itself which, the Court will take judicial notice, is not centered in the states of the 5th Circuit, whereas the automotive industry and the supply of pistons for use in automobile engines was centered within the particular circuit.

Taking up first question 1, the decision of the Court of Appeals clearly states the evidentiary character of the questions presented in the instant case wherein it states:

> " * * * It will serve no useful purpose to discuss the authorities each cites. There is no real difference of opinion between the parties as to the controlling legal principles. The dispute arises on their application to the facts. The decision of the case, in short, turns on the facts as testified to and found. We cannot agree that the findings are clearly erroneous. On the contrary we think that they are almost, if not quite, demanded by the evidence." (R. 1166-1168)

This clearly distinguishes this case from that of Schriber-Schroth where the purely legal question of the effect of certain amendments in the prosecution of an application for patent was reviewed by this Court. Every decision following the SCHRIBER-SCHROTH case has involved legal issues. Also, the two Courts below in the instant case were in full agreement, as contrasted to the reversal of the Trial Court by the Court of Appeals in the SCHRIBER-SCHROTH case.

As to the second question, the allegations of counsel that the gas lift industry is centered in Texas, supported only by the desperation affidavit of Losey, is contrary to the record testimony and the findings of fact. The uncontested testimony of Garrett is that Respondent's gas lift valve has been used in every principal oil field of the United States as well as several foreign countries (R. 591, Vol. II). The Trial Court so found (Finding 20, R. 85, Vol. I) and this is Petitioner's first contention to the contrary. The 1947 advertisement of Respondent names a sales office in Oklahoma City, Oklahoma, which is within the 10th Circuit (Def.'s Exs. 103-A and 103-B, R. 1109, 1110, in evidence R. 626, Vol. II). The universal distribution of oil fields and of gas lift equipment therefore is further illustrated by Defendant's Exhibit 101, Respondent's 1951 catalog, which names new offices in Los Angeles, California, and Hobbs, New Mexico, in addition to the one in Oklahoma City, Oklahoma (Physical exhibit sent up with record and referred to at R. 489 and 490, and R. 816, 817). These locations, of course, are within the 9th and 10th Circuits.

Petitioner's own catalogs of record, Exhibits C and D (R. 953, 954), part of a stipulation of counsel (Plf.'s Ex. 1, in evidence R. 561-563), shows that Petitioner, too, maintains branch offices or warehouses in Tulsa, Oklahoma; Oklahoma City, Oklahoma; Wichita, Kansas; and Newark, Ohio, and has a California distributor, The W. R. Guiberson

Company, of Los Angeles, California, all outside the 5th Circuit.

The Losey affidavit, attached to the petition for rehearing, on its face expresses only opinions based predominantly upon an alleged examination of one advertising medium, namely, the Composite Catalogs. It is improperly presumptive to assume that all oil field manufacturers advertise in this medium. However, it is significant to note that Losey overlooked one California manufacturer advertising gas lift equipment in said medium, namely, National Supply Company, which shows in the 1952-53 edition gas lift equipment of the plunger type, in Volume 2, pages 3686-3688, stated at page 3718 thereof to be manufactured at their Torrance, California plant. This company has advertised this equipment in this same medium throughout the five year period covered in Losey's affidavit, destroying its credibility for accuracy (See 1948 edition, pages 2863-2864; 1951 edition, pages 3596-3597, 3630). This adds to the record showing of a patent on a gas lift valve issued to National Supply Company upon application of a Pennsylvanian, Merton T. Archer (R. 1023, Vol. III, in evidence R. 394, Vol. I).

Furthermore, Losey's affidavit admits that gas lift equipment has been manufactured in both California and Oklahoma. Two gas lift patents issued to T. E. Bryan, of Oklahoma City, Oklahoma (Def.'s Exs. 115 and 116, R. 1147 and 1153, Vol. III, respectively, in evidence R. 822-823, Vol. II) are additional evidence of diversification of interest in gas lift equipment.

There is obviously no basis in the record for the assumption of counsel and the opinion of affiant, Losey, as to what relation the business of Respondent's bears to the entire gas lift business but the eight competitors admitted in the affidavit refutes any inference that Respondent monopolizes the gas lift industry.

The record, plus the judicial knowledge of the Court derived from reported decisions, involving patents on oil tools, of the Courts of Appeal from Circuits 3, 6, 8, 9 and 10, of which those listed below are exemplary, make it manifest that a patent on an oil tool, such as a gas lift device, is more likely to be litigated in different circuits than is the average patent relating to subjects other than oil tools.

Holman v. Oil Well Supply (C.A. 3, 1936), 83 F. 2d 583;
Dow Chemical Co. v. Halliburton (C.A. 6, 1943), 139 F. 2d 473;
Oil Well Improvements Co. v. Acme Foundry & Machine (C.A. 8, 1929), 31 F. 2d 898;
Patterson-Ballagh Corp. v. Moss (C.A. 9, 1953), 201 F. 2d 403;
Kobe, Inc. v. Dempsey Pump Co. (C.A. 10, 1952), 198 F. 2d 416.

It is believed that opinion affidavits would not add to the factual evidence of record and matters of which this Court may properly take judicial notice, and the limited time for response does not permit accumulation of additional detailed factual evidence to be submitted by affidavit.

Summary

It is submitted by way of summary that the question isn't to find some authority for this Court to grant certiorari for after all that rests within the sound discretion of the Court. Rather the question is what will be the nature of the review? Does the case involve some important question? Here it obviously would only be a third review of the fact issues to determine whether the evidence supports the findings of fact of the Trial Court fully concurred in by the Appellate Court, a function uniformly held by this Court

to be outside the Constitutional purpose for the Supreme Court of the land.

Denial of the petition for rehearing is respectfully requested.

Respectfully submitted,

JAMES B. SIMMS,
Attorney for Respondent,
P. O. Box 6026,
Houston 6, Texas

Of Counsel:
W. E. DYCHE,
Houston, Texas;
BROWNING, SIMMS & HYER,
Houston, Texas;
J. BYRON SAUNDERS,
Tyler, Texas

Certificate of Service

Two copies of the foregoing RESPONSE TO PETITION FOR REHEARING ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT have been served upon the Petitioner this_____day of_____, 1953, by mailing two copies to S. Austin Wier, attorney of record for Petitioner, at 523 Republic Bank Building, Dallas 1, Texas, the same being the last address of S. Austin Wier known to Respondent and Respondent's attorney, these copies being sent through United States mail, postage prepaid.

_____

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FILED
DEC 12 1953
HAROLD B. WILLEY, Clerk

In the

Supreme Court of the United States

DENY

OCTOBER TERM, 1953

No. 361

THE GUIBERSON CORPORATION,
Petitioner,

v.

GARRETT OIL TOOLS, INC.,
Respondent.

PETITIONER'S ANSWER TO RESPONDENT'S RESPONSE (DATED DECEMBER 4, 1953) TO PETITION FOR REHEARING ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

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Dallas, Texas,
Attorney for Petitioner.

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To the Honorable, the Chief Justice, and Associate Justices of the Supreme Court of the United States:

Petitioner (Defendant below) filed its petition (dated November 27, 1953) for rehearing on its original petition for Writ of Certiorari (denied November 16, 1953) in this cause; and Respondent filed its Response thereto (dated December 4, 1953), to which this instant Answer is made,

your Petitioner deeming this Answer necessary to throw light upon certain misleading assertions found in such Response which are palpable half-truths, baseless innuendos, distortions of fact and irrelevant material, all beclouding the issue of a rehearing herein.

Petitioner finds itself in duty bound to this great Court to perform the regrettable task of undertaking to dispel the miasmatic fog created by Petitioner's said "Response"; and in furtherance thereof would most respectfully show the Court that:

Respondent's combination patent in suit (Garrett, et al., No. 2,519,242), which Petitioner considers invalid because all elements and parts thereof, and their operation, are found in the prior art, is concerned with a *gas lift flow valve* used to produce oil from wells. In its petition for rehearing your Petitioner set forth facts showing that the manufacturers of gas lift flow valves are all located in the State of Texas, in one circuit (the Fifth Circuit), thereby showing the improbability of litigation involving the validity of the patent in suit in any other circuit.

Such facts bring the instant case within the doctrine of the case of *Schriber-Schroth Co. v. Cleveland Trust Company, 305 U. S. 47; 59 Sup. Ct. 8,* in which case Petition for Certiorari was granted (after being refused), the Court saying that "conflict of decision was improbable because of the concentration of the automobile industry in the Sixth Circuit."

Respondent, on page 2 of its Response, attempts to distinguish the *Schriber-Schroth* decision from the instant case

by saying that the former turned on a question of law, and that Petitioner is here seeking a review of fact questions. This is in error. The core of the matter in each case is a question of law. Petitioner again says that in the instant case neither of the Courts below applied the legal doctrine of the *Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp. 1950, 71 Sup. Ct. 127, 340 U. S. 147*, to the established facts. Failure to do so is a matter of law. Even the quotation from the Court of Appeals set forth by Respondent, on said page 2, admits as much, saying "The dispute arises on their (legal principles) application to the facts."

The nationally circulated Composite Catalog of Oil Field and Pipe Line Equipment was cited to show the concentration of the manufacture of gas lift flow valves in the Fifth Circuit.

Respondent's said "Response" declares that "supplying gas lift equipment and other oil tools is as diversified as the production of oil itself." Such statement is immaterial here. The question is not one of "supplying," but of *manufacturing*, such as was the question in the automobile industry found concentrated in the Sixth Circuit, as stated in the *Schriber-Schroth* case (supra). The patent in suit is concerned with gas lift flow valve. It is quite beside the point to talk of gas lift *equipment* and *other oil tools* (Response, p. 2).

Respondent says that its "gas lift valve has been *used* in every principal oil field of the United States as well as several foreign countries" (Res., p. 3). Again *use* is not the

point. It is manufacture. The Supreme Court apparently took a realistic view of the matter in the *Schriber-Schroth* case, recognizing that patent infringement suits are ordinarily brought against the manufacturers, and knowing that automobiles are used and sold in every Circuit in the United States, and even throughout the world.

Respondent says that both Respondent and Petitioner advertise offices in states other than Texas (Res., p. 3). This means nothing. They are sales offices. Neither concern has a manufacturing plant outside of Texas. Besides, each concern advertises other products than gas lift flow valves.

Respondent impugns the affidavit of Mr. Thomas B. Losey, which was made a part of Petitioner's Petition for Rehearing (Res., pp. 3-4). Such attack is egregious and unwarranted, being predicated upon misleading statements and half-truths which are wholly immaterial to the issue common to the instant case and the *Schriber-Schroth* case, supra. In this connection Respondent says "Losey overlooked one California manufacturer advertising *gas lift equipment* * * * National Supply Company * * *" (Res., p. 4). To support such assertion, Respondent refers to the Composite Catalogs for the years 1948, 1951 and 1952-53, citing pages in such catalogs. A reading of the pages so cited, shows clearly that not on any one of them can there be found any reference whatsoever to a gas lift flow valve.

Gas lift *equipment* is not the same as a gas lift flow valve. "Gas lift equipment" is a very broad term which covers literally hundreds of devices, tools and parts.

The National Supply Company's advertisements in the Composite Catalogs, referred to by Respondent, are headed "Ideal Plunger Lift," and this heading is followed by a sub-head which reads: "The Ultimate in Long-Stroke Pumping." The text by which National Supply Company describes this equipment in the 1948 Composite Catalog refers to it as "* * * utilizing the tubing for its entire length as a cylinder, and utilizing the plunger as a piston which travels the full length of the tubing at each stroke." In short, the device described by National is a plunger for pumping oil *without* a gas lift flow valve.

The Composite Catalogs for 1951 and for 1952-53 describe the same type of pumping equipment of National Supply Company. Nowhere is there any mention or showing of a gas lift flow valve.

Respondent says that there was "a patent on a gas lift valve issued to National Supply Company upon application of a Pennsylvanian, Merton T. Archer." *A Pennsylvanian!* No showing is made that either the Pennsylvanian or the National Supply Company is making a gas lift flow valve or has ever made one. The Archer patent was issued in 1928 and has long since expired. (Rec., pp. 1021-27).

Far from showing that Mr. Losey's affidavit is not credible or accurate, the care with which he listed *only* the manufacturers of *gas lift flow valves*, eliminating any and all misleading material having to do with various irrelevant equipment, bespeaks its truth.

Respondent says that Losey's affidavit "admits" that gas lift equipment *has been* manufactured in both Califor-

nia and Oklahoma. This further shows the care with which such affidavit presented the facts. The manufacturer in California disappeared from the scene in 1939 after only two years of effort. The Oklahoma manufacturer never offered a valve after 1941. (Petitioner's Petition for Rehearing, p. 10). This simply shows clearer than ever that manufacturers attempting to make a gas lift flow valve in those two states ceased such struggle more than a dozen years ago. The critical period of this inquiry follows the date on which the patent in suit was issued, to-wit, August 15, 1950. This is the only period of time in which there could have been litigation concerning the validity of such patent, with or without conflict of decision between circuits.

Petitioner says that "Two gas lift patents issued to T. E. Bryan, of Oklahoma City, Oklahoma," and therefore concludes that such is "additional evidence of diversification of interest in gas lift equipment." (There is a like "diversification of interest" among inventors of automobile parts, living, as they do, in all circuits of the United States.)

If the stated place (Oklahoma City) were in fact the residence of T. E. Bryan, it would have no bearing upon the concentration of the manufacture of gas lift flow valves in the Fifth Circuit, which fact is a stubborn fact wholly irrefutable by anybody. It is sad to have to say that T. E. Bryan has lived for many years, beginning long prior to the publication of the patent in suit, in Tarrant County, Texas, within the vicinity of Fort Worth; and Respondent and Respondent's Counsel know that this is true, and have long known it, prior to the contrary insinuation appearing

on page 4 of their "Response." One counsel of record for Respondent in this cause, Ralph R. Browning, solicited these Bryan patents in the Patent Office and signed the Patent Office drawings.

For more than a year heretofore the same Mr. Bryan and the Respondent herein have been locked in a lawsuit in the United States District Court for the Eastern District of Texas (from which the instant case arose), each asserting in their pleadings that the other party litigant is infringing a patent for a gas lift flow valve. Also during the time the instant case has been in the Courts, the Respondent initiated a suit against the same Mr. Bryan in the United States District Court in Fort Worth, Texas, involving a gas lift flow valve patent.

Reference must be made to Respondent's assertions, on page 5 of its said "Response," wherein it asks the Court to consider five reported cases "involving patents on oil tools." There are thousands of oil tools made; and they have nothing to do with the instant case. Here we are only concerned with the *concentration of the manufacture of gas lift flow valves.*

The five reported cases of patent litigation, which Respondent would have the Court believe have something to do with the question of the concentration of the manufacture of gas lift flow valves in the Fifth Circuit, are not concerned in any way with such a valve. The several patents litigated in the five cases listed are altogether differ-

ent from and foreign to gas lift flow valves. They concern, in the order listed,

(1) *Spudding shoes* used in drilling wells,

(2) *Acid treatment* of earth formations,

(3) *Casing head* for oil wells,

(4) *Wire line guide* used in drilling wells,

(5) *Hydraulic pumps.*

It is respectfully submitted that the "Response" of Respondent herein in nowise negatives any fact set forth in The Petition for Rehearing herein. Rather by the sheer starkness of the paucity of the assertions and arguments and irrelevancy in such "Response" is the solid truth of Petitioner's position shown to be founded on unanswerable fact and made more strong.

"Truth crushed to earth," says the poet, "shall rise again." May it be so here.

WHEREFORE, your Petitioner, The Guiberson Corporation, prays this Honorable Court to grant its Petition for Rehearing, and that the Court's most gracious Writ of Certiorari be granted in this cause.

Respectfully submitted,

S. AUSTIN WIER,
523 Republic Bank Building,
Dallas, Texas,
Attorney for Petitioner.

Dated: December 11, 1953.

CERTIFICATE OF COUNSEL

STATE OF TEXAS }
COUNTY OF DALLAS }

S. AUSTIN WIER, being first duly sworn, on oath certifies and says: That he is attorney of record for Peitioner in the above cause; that in his judgment the within and foregoing Answer to Respondent's Response to Petition for Rehearing is well founded; and that it is not interposed for delay, but in order that justice may be done.

S. Austin Wier

Sworn and subscribed to before me at Dallas, Texas, this 11th day of December, A. D. 1953.

Howard E. Moore

Notary Public in and for County and State Aforesaid.

CERTIFICATE OF SERVICE

Two copies of the foregoing Answer have been served on Respondent's Counsel by first class mail, postage prepaid, addressed to Browning and Simms at 3303 Montrose Boulevard, Houston 6, Texas, on this 11th day of December, 1953.

S. Austin Wier

Counsel for Petitioner.